

FOX ♦ ROTHSCCHILD_{LLP}

ATTORNEYS AT LAW

CITIZENS BANK CENTER ♦ SUITE 1300 ♦ 919 NORTH MARKET STREET ♦ P.O. BOX 2323 ♦ WILMINGTON, DE 19899-2323
302.654.7444 ♦ FAX 302.656.8920 ♦ www.foxrothschild.com

Sheldon K. Rennie
Direct Dial: (302) 622-4202
Internet Address: srennie@foxrothschild.com

August 31, 2006

ELECTRONICALLY FILED

Honorable Joseph J. Farnan, Jr., U.S.D.J.
United States District Court, District of Delaware
J. Caleb Boggs Federal Building
844 North King Street, Room 4124
Lockbox 27
Wilmington, DE 19801

Re: Lucent Technologies Inc. v. Christine C. Shubert
Case No. 06-147(JJF)

Dear Judge Farnan:

We write on behalf of the Trustee in response to Lucent's letter filed yesterday. Lucent advised the Court of a two day old decision (the "Decision") from the United States Court of Appeals for the Third Circuit, Scarborough v. Chase Manhattan Mortgage Corp. (In re: Frances Scarborough), No. 04-4298.

The Trustee objects to Lucent's letter, because the Decision is not pertinent to this case. It merely (1) quotes 11 U.S.C § 506(a)(1) for the proposition that a creditor's secured proof of claim must ultimately be bifurcated into a secured claim to the extent of the value of the collateral and an unsecured claim for the balance, and (2) restates the Third Circuit's reliance on the "plain meaning" rule in interpreting the Bankruptcy Code.

The Honorable Joseph J. Farnan, Jr.
August 31, 2006
Page 2

The Decision is of little or no value to this Court, and was not worthy of submission. If anything, the Third Circuit's continuing reliance on the "plain meaning" rule buttresses the arguments made by the Trustee in opposition to the appeal (Trustee's Brief at pp. 44-45) that the plain meaning of Section 547(b)(4) requires that "new value" be completely unsecured -- not undersecured as Lucent argues in its appeal.

Respectfully submitted,

/s/ Sheldon K. Rennie (#3772)

Sheldon K. Rennie

SKR/mlr

cc: Stephen M. Rathkopf, Esq. (via facsimile)
Craig Goldblatt, Esq. (via facsimile)
Daniel DeFranceschi, Esq. (via facsimile)
Paul Saunders, Esq. (via facsimile)